

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
CENTRAL ISLIP DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ERICH TRENDEL and
NELLA TRENDEL,

Defendants.

No 2:21-cv-4167

COMPLAINT

The United States of America, pursuant to the provisions of 31 U.S.C. § 3711(g)(4)(C), with the authorization of a delegate of the Secretary of the Treasury and at the direction of a delegate of the Attorney General, brings this civil action to obtain a money judgment against defendants Erich and Nella Trendel related to assessments made against them by a delegate of the Secretary of the Treasury pursuant to 31 U.S.C. § 5321. The United States complains and alleges that:

1. Jurisdiction over this action is conferred upon the district court by 28 U.S.C. §§ 1341, 1345, and 1355(a).
2. The defendants, Erich and Nella Trendel, reside in Suffolk County, within the jurisdiction of the United States District Court for the Eastern District of New York.
3. The defendants, Erich and Nella Trendel, during the 2009, 2010, 2011, and 2012 calendar years, had multiple interests in foreign bank, securities, and other financial accounts in which the aggregate balance of each account, at some time during each of the 2009, 2010, 2011, and 2012 calendar years, exceeded \$10,000.

4. During the 2009, 2010, 2011, and 2012 calendar years, the defendants, Erich and Nella Trendel, maintained an account with Bank of Montreal, which is a Canadian bank.

5. During the 2009 calendar year, the defendants, Erich and Nella Trendel, maintained an account with a Switzerland branch of HSBC. The Trendels closed the HSBC account in 2009 and transferred the funds to Banca Gesfid, another Swiss bank, and Dresdner Bank AG, a German bank.

6. In 2009, the Trendels formed a Panamanian foundation called the Eastport Foundation (“Eastport”). Defendant Nella Trendel was the beneficial owner of Eastport.

7. During the 2009 and 2010 calendar years, the Eastport Foundation maintained an account with Banca Gesfid.

8. When Banca Gesfid was acquired by PKB Privatbank (“PKB”), a Swiss financial institution, in 2010, Eastport kept its account and maintained it during the 2010, 2011, and 2012 calendar years.

9. During the 2009 calendar year, the defendants, Erich and Nella Trendel, maintained an account with Dresdner Bank AG.

10. When Dresdner Bank AG was acquired by Commerzbank AG, a German financial institution, in 2009, the defendants kept their Commerzbank account during the 2009, 2010, 2011, and 2012 calendar years.

11. The defendants, Erich and Nella Trendel, were required to report to the United States their interests in their foreign bank, securities, or other financial accounts for the 2009, 2010, 2011, and 2012 calendar years, by submitting, by June 30 of each following year, a form known as the TD F 90.22-1, Report of Foreign Bank and Financial Accounts (“FBAR”). This requirement is known as a “FBAR filing requirement.”

12. The defendants, Erich and Nella Trendel, did not timely submit the required FBAR reports.

13. On or about July 31, 2019, a delegate of the Secretary of the Treasury made assessments, pursuant to 31 U.S.C. § 5321, against the defendant, Erich Trendel, in the aggregate amount of \$80,000, and against the defendant, Nella Trendel, in the aggregate amount of \$40,000, for their respective failures to submit FBARs for the 2009, 2010, 2011, and 2012 calendar years. Each amount assessed under 31 U.S.C. § 5321 is commonly known as a “FBAR penalty.”

14. The FBAR penalties were assessed against Erich Trendel and Nella Trendel pursuant to 31 U.S.C. § 5321(a)(5)(B)(i), which imposes a penalty not to exceed \$10,000 for each violation of the FBAR filings requirements that is not due to a willful violation of 31 U.S.C. § 5321.

15. The FBAR penalties were assessed against Erich Trendel for his failure to submit a FBAR for each financial institution listed below, for each year listed below, in the amounts listed below:

Calendar Year	Financial Institution	FBAR Penalty Amount
2009	Bank of Montreal	\$10,000.00
	HSBC	\$10,000.00
2010	Bank of Montreal	\$10,000.00
	Commerzbank AG	\$10,000.00
2011	Bank of Montreal	\$10,000.00
	Commerzbank AG	\$10,000.00
2012	Bank of Montreal	\$10,000.00
	Commerzbank AG	\$10,000.00
Total		\$80,000.00

16. The FBAR penalties were assessed against Nella Trendel for her failure to submit a FBAR for each financial institution listed below, for each year listed below, in the amounts listed below:

Calendar Year	Financial Institution	FBAR Penalty Amount
2009	Bank of Montreal	\$3,333.00
	HSBC	\$3,333.00
	Banca Gesfid	\$3,334.00
2010	Bank of Montreal	\$2,500.00
	Banca Gesfid	\$2,500.00
	PKB Privatbank	\$2,500.00
	Commerzbank AG	\$2,500.00
2011	Bank of Montreal	\$3,333.00
	PKB Privatbank	\$3,333.00
	Commerzbank AG	\$3,334.00
2012	Bank of Montreal	\$3,333.00
	PKB Privatbank	\$3,333.00
	Commerzbank AG	\$3,334.00
Total		\$40,000.00

17. In addition to the principal amount of the FBAR penalty assessments, the defendants, Erich and Nella Trendel, are each liable for late-payment penalties pursuant to 31 U.S.C. § 3717(e)(2) and 31 Code of Federal Regulations § 5.5(a), and interest accruing pursuant to law.

18. As of May 7, 2021, the amount due with respect to the FBAR penalty assessments against Erich Trendel is \$89,911.23 and the amount due with respect to the FBAR penalty assessments against Nella Trendel is \$44,955.63, plus interest and other statutory accruals according to law.

WHEREFORE, the plaintiff United States of America requests the following relief:

A. Judgment against the defendant Erich Trendel in the amount of \$89,911.23, plus statutory additions and interest accruing from and after May 7, 2021, including interest pursuant to 26 U.S.C. §§ 6601, 6621, and 6622, and 28 U.S.C. § 1961(c);

B. Judgment against the defendant Nella Trendel in the amount of \$44,955.63, plus statutory additions and interest accruing from and after May 7, 2021, including interest pursuant to 26 U.S.C. §§ 6601, 6621, and 6622, and 28 U.S.C. § 1961(c); and

C. Any other and further relief as the Court determines is just and proper.

Respectfully submitted,

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/s/ Samantha S. Primeaux
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